

Message Text

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63

ACTION ABF-01

INFO OCT-01 AF-05 EUR-06 ADP-00 OPR-02 A-01 FSE-00 M-03

/019 W

----- 036996

R 081615Z AUG 73

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5385

INFO AMEMBASSY LAGOS

AMEMBASSY PARIS

AMEMBASSY LOME

UNCLAS COTONOU 1190

E.O. 11652: N/A

TAGS: DM, ALOW, EFIN

SUBJECT: DOLLAR POWER II - FOR BP

REF: (A) STATE 151990

(B) LAGOS 6336

1. RESPONSE REF A:

A. 205.5 CFA / \$1.00

B. APPRECIATION OF US DOLLAR VIS-A-VIS CFA RESULT OF
SEVERAL FACTORS INCLUDING:

1. CFA TIED DIRECTLY TO FRENCH FRANC AND PARITY WITH
DOLLAR THEREBY INFLUENCED BY RECENT INTERVENTIONS
OF FRENCH CENTRAL BANK IN CAPITAL MARKET.

2. FAVORABLE DEVELOPMENTS IN US BALANCE OF TRADE AND
PAYMENTS BALANCE.

3. SOME INCREASE OF CONFIDENCE IN INTERNATIONAL
MONETARY SYSTEM AFTER WASHINGTON MEETING OF
GROUP OF 20.

4. DECREASE OF US DOMESTIC POLITICAL SHOCKS.

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5. MARKET FORCES OF SUPPLY/DEMAND FOR US DOLLARS IN

INTERNATIONAL TRANSACTIONS.

E. 205.5 CFA / \$1.00

D. SEE B.

E. CFA 225

2. COMMENT: SINCE CFA IS TIED TO FRENCH FRANC, ABOVE RESPONSE
TO REFTELS A(E) AND B (PARA 4) CANNOT BE CONSIDERED FULLY
INFORMED GUESS. EMBASSY PARIS, OF COURSE, IN BETTER POSITION
TO ANTICIPATE PERFORMANCE OF DOLLAR AGAINST FRENCH FRANC. IN
LIGHT INTIMATE RELATIONSHIP BETWEEN TWO CURRENCIES, THEIR RESPONSE
TO REFTEL A SHOULD BE READ AS RESPONSE FOR CFA ZONE COUNTRIES.
ANDERSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973COTONO01190
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: COTONOU
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1973/newtext/t19730851/aaaablrq.tel
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Office: ACTION ABF
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Subject: DOLLAR POWER II - FOR BP
TAGS: ALOW, EFIN, DM
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Type: TE
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